Statement of Deborah C. McElroy President Regional Airline Association

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Good morning, Mr. Chairman, Senator Rockefeller, and distinguished members of the Committee. Thank you for giving me this opportunity to comment on the issue of pilot hiring, training, and retention as it affects the regional airline industry.

BACKGROUND

I am President of the Regional Airline Association, a trade association representing 60 regional airlines in the United States. Regional airlines operate short and medium-haul scheduled airline service linking smaller communities with larger cities and connecting hubs, operating modern and technically advanced turboprop and regional jet aircraft. RAA member airlines carried over 97 percent of the regional airline passengers in the United States last year.

Our industry is growing. Today, regional carriers serve 429 commercial airports in the lower 48 states, and at 244 of these airports, regional carriers provide the sole source of scheduled air service. In 1999, regional airlines carried 78 million passengers, which means that approximately 1 out of every 8 domestic passengers traveled on a regional carrier. The number of passengers traveling by regional aircraft has increased dramatically, up 10 percent from 1998 and up more than 50 percent over the last decade. We expect this growth trend to continue, with passenger enplanements projected to reach 104 million and revenue passenger miles to grow to 31 million by the year 2005. By this time, regional jets may

represent over 50 percent of the regional fleet and may carry 70 percent of our passengers.

IMPACT OF GROWTH

This growth in our industry will mark an improvement in our nation's air transportation system overall, as small and medium sized communities reap the benefits of increased access to the national air transportation network. Likewise, the growth will be good for our 60 airline members, for their employees, and for those who take advantage of new job openings across the nation, as our industry becomes stronger still. Along with this growth, however, our carriers have faced certain challenges. One such challenge is maintaining adequate staffing levels to preserve schedule integrity during the increased periods of pilot attrition that inevitably follow industry growth in both major and regional airlines.

The industry's record growth last year meant pilots were leaving their positions with greater frequency than usual. As a result, a few regional carriers had to cancel a number of flights last summer, creating a situation that was unacceptable to the management of our member airlines as well as to the customers we value and endeavor to serve. As you know, flight cancellations are undesirable. They disrupt schedules and impact profitability. In just a moment, I am going to outline several steps my carriers are taking to prevent a recurrence of last year's cancellations. Let me first describe the circumstances. Though pilot attrition is down (our carriers reported a 19 percent attrition rate so far this year, compared to 29 percent in 1999), pilots continue to progress from regional carriers to major airlines with larger aircraft. This natural career path means that pilot attrition will always be a factor for regional airlines; however, we are not experiencing a pilot shortage.

Last June FAA amended its enforcement policy regarding flight time limitations and rest requirements, issuing a Notice of Enforcement Policy. Specifically targeted at crewmembers on reserve duty, the new interpretation required operators to provide a protected rest period, free from a "present responsibility for work," for reserve crewmembers. The impact of this action varied among RAA members, ranging from minimal impact to as high as requiring the hiring of an additional 15 percent of pilots. Even those carriers reporting minimal impact from the interpretation, however, may have been indirectly affected, as the policy caused the major airlines to hire additional pilots and in turn

contributed to the higher turnover rate experienced by regional airlines in the last six months of 1999.

I would like to take this time to point out a fact: Regional Airlines continue to recruit and hire pilots from a qualified pool of applicants. Just this year, 25 of our largest regional airlines hired a total of 2,187 new pilots. We recruit pilots from several sources, including other regional airlines when a pilot makes a progression from a smaller regional carrier to a larger regional carrier, from general aviation, from corporate aviation, and from the military. Moreover, several airlines have established relationships—including internship programs—with aviation universities, such as Embry-Riddle and the University of North Dakota, and with pilot recruiting firms. These relationships assist airlines in attracting talented pilot candidates who will succeed through the intensive training procedures our airlines require.

If there is a "pilot shortage," it is not a lack qualified applicants, but rather a period of time that is needed between pilot departures and the length of time required to train replacements. Most pilots move to a major carrier and provide a notice of two weeks' time, yet airlines need at least 4-6 weeks to accommodate the pilot training cycle for new pilots and upgrades from first officer to captain. In the past, this time differential has created difficulties in staffing some flights.

ADDRESSING PILOT TURNOVER

While such pilot attrition presents a great challenge to smaller airlines, the growth in our industry means all carriers must stay ahead of the pilot hiring curve. To do so, our members have adopted measures aimed at preventing a recurrence of crew-related flight cancellations since last summer, and have taken steps to protect schedule integrity during times of high pilot attrition, while maintaining and even enhancing pilot training procedures. While I will paint a more detailed portrait of these training procedures momentarily, I would like to mention now that these measures have already been met with great success. Through June of 2000, our members have seen improvement in schedule integrity.

To address pilot attrition, airlines have adopted continuous hiring practices. Moreover, our carriers have invested heavily in enhanced training procedures designed to provide a constant supply of highly trained, qualified pilots to alleviate the strain of increased turnover. While the FAA requires only 250 hours of flight time to earn a commercial pilot's license, regional airlines require new hires to

possess between 1,000 to 1,500 total flying hours or more, with several hundred hours devoted to multi-engine aircraft. In addition, 75 percent of our carriers require pilot candidates to undergo a flight simulator evaluation as part of the selection process.

I've already alluded to the rigorous training process our pilots undergo as they prepare for a job with a regional carrier. Our airlines spend an average of \$13,122 in order to train a new-hire, and an average \$12,133 in order to train a new captain. Several carriers have also invested millions in designing centers for initial and recurrent training, some of which house full-motion flight simulators and other advanced training devices. We expect these carriers to lead the industry in providing state-of-the-art tools and technologies to enhance training.

In addition to these advanced, in-house training facilities, carriers have additional resources available to assist with pilot training and recruiting. For instance, many carriers contract outside training facilities, where airlines send new hires and upgrade pilots for intensive training on advanced, full motion aircraft flight simulators. Each carrier tailors course curricula according its own training and aircraft specifications, which is then incorporated into a proven contract training program.

To deal with the increase in pilot attrition, these training facilities have adopted adjunct training programs with longer courses; most courses have been lengthened by 1-3 simulator sessions, with typically 20-22 hours of simulator time per pilot, supplemented by 20-22 hours of additional simulator experience performing non-pilot duties. During a typical course, each crew receives a total of 22-44 hours of simulator instruction over 4-6 weeks. In the past, some carriers have had difficulty attaining simulator time, especially for training regional jet pilots. We expect this situation to improve considerably over the next year, as one training facility will have doubled the number of the flight simulators available for regional jet training.

SOLUTIONS

While the regional airlines have already taken steps to overcome the flight-staffing challenges accompanying our industry's growth, our carriers have identified a role for the federal government to play, too. The nation's flight training structure, including colleges, universities, training academies, and independent flight schools, are a valuable resource. Yet, no federal financial aid programs to finance flight training are currently available. Because potential pilots

are not eligible for federal student loan programs for flight training, the interest on loans obtained from private sources raises the costs of learning to fly considerably. Expanding eligibility of federal student loans to include flight training could help increase the number pilots available. Likewise, increasing the VA benefit for flight training, which currently pays only 60 percent of pilot training costs, might similarly expand the pool of available pilots.

The FAA can play a role, as well, by revising the existing flight training requirements to incorporate more efficient use of simulators and flight training devises. Additionally, with the increased number of flight simulators expected to come on line this year, FAA should prioritize inspection and certification so the new simulators can be immediately available for training new hires and new captains. Finally, the FAA field offices that oversee and support the regional airlines continue to limit the travel and therefore the availability of inspectors to conduct pilot qualification checks. Prioritization of these inspections would result in fewer delays in the training process and help regional airlines address pilot staffing challenges.

SUMMARY

We recognize that crew shortages stopped flights last summer, inconvenienced customers, and hindered airlines striving to maintain schedule integrity. I have outlined the investments regional airlines have made in enhanced training programs and continuous hiring practices in order to maintain the highest level of safety while providing travelers with reliable air service. While the pilot attrition rate may fluctuate from time to time, our industry will always continue to provide safe, convenient air service.

Mr. Chairman, this concludes my prepared statement. I would be glad to respond to any questions that you or any Member of the Committee may have.